

## Message Text

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44

ACTION AF-04

INFO OCT-01 SS-14 ISO-00 SSO-00 NSCE-00 INRE-00 NSC-05

INR-05 CIAE-00 SP-02 L-01 EB-03 TRSE-00 XMB-01 OPIC-02

AID-05 OMB-01 /044 W

----- 111318

O 181145Z JUL 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 3672

C O N F I D E N T I A L KINSHASA 6649

LIMDIS

E.O. 11652: GDS

TAGS: ECON, EFIN, CG

SUBJ: FIRST HALF BUDGET PERFORMANCE: PUBLIC DEBT PAYMENTS

REF: STATE 167708

DEPT PASS TREASURY, EXIM, OPIC, AID AND OMB

1. BUDGET DATA THAT WE RECEIVE FROM TIME TO TIME COMES ORALLY FROM A DIPLOMATIC COLLEAGUE WHOSE SOURCE IS WELL PLACED. UNFORTUNATELY, ALL LINE ITEMS DO NOT APPEAR EACH TIME AND FORMAT IS RARELY CONSISTENT. PUBLIC DEBT PAYMENTS HAVE APPEARED AS FOLLOWS. ALL IN MILLIONS OF ZAIRES.

1ST QUARTER '75    APRIL    MAY    JUNE

29            1.8    NA#    1.3

#WE ASSUME 1.5

2. 1974 EXPENDITURES ON BOTH OPERATING AND CAPITAL ACCOUNTS TOTALLED 745, FOR AN AVERAGE QUARTERLY SPENDING RATE OF 186.2. FIRST QUARTER 1975 EXPENDITURES WERE 155, FOR A REDUCTION OF 31.2 OVER THE 1974 QUARTERLY RATE AND SECOND QUARTER 1975 EXPENDITURES WERE 138, FOR A REDUCTION OF 48.2 OVER THE 1974 RATE. THUS TOTAL FIRST HALF '75 REDUCTION IN SPENDING WAS APPROXIMATELY 79.4 FROM '74 RATE.

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3. OUR BEST GUESS OF PUBLIC DEBT PAYMENTS DUE FOR ALL OF 1975 IS 150. ON SHAKY ASSUMPTION THAT THESE PAYMENTS ARE EVENLY DIVIDED BY QUARTER (37.5)--ZAIRE'S PAYMENTS IN FIRST QUARTER '75 (29) WAS DOWN 8.5 AND SECOND QUARTER WAS DOWN 32.9 FOR A TOTAL ESTIMATED "NON-PAYMENT ON PUBLIC DEBT" THROUGH FIRST HALF '75 OF 41.4.

4. THUS, WE ESTIMATE GOZ FAILURE TO MAKE PAYMENTS ON PUBLIC DEBT ACCOUNT FOR SOME 50 PERCENT OF SPENDING REDUCTIONS SINCE FIRST OF YEAR.

5. FOREGOING ANALYSIS CENTERS ON EXTERNAL PUBLIC DEBT, BOTH DIRECT AND GUARANTEED. WE KNOW THAT AS OF END JUNE '75 (KINSHASA 5870) GOZ SAID IT HAD UPCOMING PAYMENTS ON EXTERNAL DEBT THROUGH END OF YEAR IN AMOUNT 93.8. ADD PAYMENTS MADE PER PARA 1 ABOVE AND WHAT WE FIGURE TO BE PAYMENTS ALREADY MISSED, PARA 3 ABOVE, AND THE TOTAL COMES TO 168.8--CLOSE ENOUGH TO OUR ORIGINAL GUESS OF 150 TO GIVE US SOME CONFIDENCE IN THE ANALYSIS.  
ANDREW

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS, REPORTS, GOVERNMENT DEBTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUL 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KINSHA06649  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750248-0925  
**From:** KINSHASA  
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**Office:** ACTION AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** 75 STATE 167708  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 SEP 2003 by WorrelSW>; APPROVED <17 DEC 2003 by ShawDG>; APPROVED <17 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FIRST HALF BUDGET PERFORMANCE: PUBLIC DEBT PAYMENTS  
**TAGS:** ECON, EFIN, CG  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006